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Arb.O.P.(Comm.Div.) No. 408 of 2024

C.V.KARTHIKEYAN, J.

This Petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 seeking appointment of an Arbitrator consequent to an agreement entered into between the petitioner a manufacturer of tractors, spare parts, harvesting machines and diesel engines and the respondents, who had been appointed as dealer to market and sell the products of the petitioner herein.

2. The dealership agreement was dated 03.01.2023 and should have been in force till 31.12.2025. There was an earlier agreement dated 10.01.2019.

3. It is contended on behalf of the petitioner that the petitioner had been incorporated in the year 1996 under the Companies Act 1956 with the Registrar of Companies, Chennai. The respondents had approached the petitioner to avail dealership of the products of the petitioner. A letter



of intent had been issued on 22.08.2016 and subsequently, the dealership agreement had been initially entered into on 10.01.2019 and a further agreement was entered into on 03.01.2023.

4. It had been stated that a memorandum of understanding had been entered into on 05.01.2023 to display five Tractors as part of the marketing and sales obligation. The respondents had purchased one of the five tractors. They sold two tractors to customers and payments had not been forwarded to the petitioner herein. It had been further stated that the petitioner had taken back the two remaining tractors.

5. The petitioner had terminated the dealership agreement by notice dated 27.07.2023 with effect from 30.08.2023.

6. It is stated that the petitioner had filed an application under Section 9 of the Act seeking appointment of an Advocate Commissioner and an Advocate Commissioner had also been appointed.



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7. In the agreement, there was a clause to refer the disputes to Arbitration. The said Clause is as follows:-

“20). In case of any dispute, the parties agree that they would try to negotiate and resolve the issue within 7 days of the dispute being raised. If the dispute is not resolved, the same would be resolved through Arbitration, by a Sole Arbitrator, under the Indian Arbitration and Conciliation Act, 1996 as amended up to date. The seat of the Arbitration shall be at Chennai. The Courts at Chennai alone shall have jurisdiction.”

8. It is under those circumstances that this Petition has been filed.

9. Notice had been directed to the respondents. So far as the Court notice is concerned, communication had been received from the Principal District and Sessions Judge, at Nizamabad in Telungana State that notice to the respondents had been served through the process server attached to the District and Sessions Court at Nizamabad. The relevant documents had been filed by the Registry. Private notice had been directed and the



respondents had been served. Necessary affidavit of service has also been filed. The names and addresses of the three respondents have also been printed in the cause list. However, there is no response on behalf of the respondents.

10. Taking into consideration the fact that there a dispute had arisen owing to the amounts due and payable by the respondents, and since there is a clause relating to refer the disputes to Arbitration, this Petition stands allowed.

11. Accordingly, Mrs.R.Rathna Thara, Advocate, No.9, Siddhi Vinayakar Koil Street, T.Nagar, Chennai – 600 017, mobile No. 9840451276, is appointed as Sole Arbitrator to enter reference on the issues between the petitioner and the respondents. The arbitrator may determine his fees in accordance with the schedule to the Act. He may endeavour to pass the final award without any undue delay. The petitioner and respondents are directed to co-operate with the Arbitrator now appointed by this Court, and to ensure that the arbitral proceedings are concluded as expeditiously as possible.

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